

Message Text

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FM AMEMBASSY REYKJAVIK

TO SECSTATE WASHDC 4909

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AMEMBASSY COPENHAGEN

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AMEMBASSY OSLO

AMEMBASSY STOCKHOLM

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LIMDIS

EO 11652: GDS

TAGS: PFOR MARR IC NATO PO

SUBJECT: US-ICELAND DEFENSE NEGOTIATIONS - PORTUGUESE

AMBASSADOR'S INTEREST

1. PORTUGUESE AMBASSADOR DE FARIA, RESIDENT IN OSLO, MADE FAREWELL CALL ON ME THIS MORING. (HE HAS BEEN TRANSFERRED TO DUBLIN.) HIS MAIN INTEREST, OBVIOUSLY, WAS IN LEARNING AS MUCH AS POSSIBLE ABOUT THE RECENT U.S.-ICELAND DEFENSE NEGOTIATIONS. AFTER HAVING COORDINATED IN ADVANCE COMMENTS I MIGHT MAKE ON THIS SUBJECT WITH MFA, AND IN RESPONSE TO SPECIFIC QUESTIONS, I TOLD THE PORTUGUESE AMBASSADOR THE FOLLOWING: (A) USG IS NOT (RPT NOT) BUILDING ICELAND A NEW AIRPORT. USG IS COOPERATING WITH ICELAND IN THE SEPARATION OF CIVILIAN AND MILITARY AIR FACILITIES. USG ENDEAVORS WILL BE LIMITED TO UPGRADING THE COMMON-USAGE FACILITIES AND WILL FINANCE ONLY THOSE FACILITIES WHICH ARE BASICALLY OF MILITARY SIGNIFICANCE. WHERE THERE IS A CIVILIAN USAGE FOR THE SAME FACILITY AND WHERE IT DOES NOT MAKE SENSE TO HAVE DUPLICATE FACILITIES, THEN, OF COURSE, ICELANDIC CIVIL AIR AUTHORITIES WILL BENEFIT AS

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WELL. I GAVE AS AN EXAMPLE THE FACT THAT BOTH U.S. MILI-

TARY AND ICELAND USE THE SAME FIRE DEPARTMENT WHICH IS MAINTAINED AT USG EXPENSE. (B) USG WILL FINANCE AN ACCESS ROAD WHEN ICELAND BUILDS ITS NEW TERMINAL BUILDING, WHICH ICELAND WILL DO AT ITS OWN EXPENSE. RATIONALE FOR USG FINANCING OF ROAD IS FOR RESULTANT MILITARY SECURITY TO THE BASE. USG INAUGURATED A GENERAL UPGRADING OF THE COMMON AIRFIELD SEVERAL YEARS AGO BUT WAS INTERRUPTED WHEN GOI INVOKED ARTICLE VII OF THE DEFENSE AGREEMENT. RECENT NEGOTIATIONS REMOVED OBSTACLES TO OUR PROCEEDING WITH PROGRAM. (C) HOUSING PROGRAM SIMILARLY INTERRUPTED BUT WILL NOW PROCEED AS PREVIOUSLY PLANNED. (D) THE COST OF AIRPORT IMPROVEMENTS AND THE COST OF HOUSING ARE DEFINITELY NOT RENTAL PAYMENT FOR RIGHT TO MAINTAIN MILITARY BASE HERE. ICELANDERS PRIDE THEMSELVES ON NOT (RPT NOT) CHARGING RENT FOR THE BASE NOR DO THEY REQUIRE USG TO FINANCE PURELY CIVILIAN ACTIVITIES AND FACILITIES AS QUID PRO QUO FOR BASE. BASIC PRINCIPLE ALWAYS PREVAILED AND REAFFIRMED AT RECENT NEGOTIATIONS THAT USG WILL FINANCE ACTIVITIES AND FACILITIES OF A MILITARY REQUIREMENT. (E) THE REDUCTION OF APPROXIMATELY 400 AMERICAN MILITARY MANPOWER AND THEIR REPLACEMENT BY ICELANDERS WILL BE PRIMARILY IN ADMINISTRATIVE ACTIVITIES BUT WILL INCLUDE SOME TECHNICAL POSITIONS SUCH AS IN RADAR FACILITY. ICELANDERS WILL NOT (RPT NOT) TAKE OVER ANY MILITARY FUNCTIONS. TIMING OF REPLACEMENTS WILL BE DETERMINED BY AVAILABILITY OF QUALIFIED ICELANDERS. (F) COMPLETION HOUSING CONSTRUCTION AND AIRPORT IMPROVEMENTS WILL DEPEND ON ICELANDIC CONTRACTORS AND TIMING OF COMPLETION OF ICELAND'S NEW TERMINAL BUILDING. ALTHOUGH HOUSING FUNDS WILL BE SOUGHT OVER THREE FISCAL YEARS, CONSTRUCTION BECAUSE OF SHORT BUILDING SEASON MAY TAKE AS LONG AS 7 TO 8 YEARS.

2. DE FARIA'S QUESTIONS, ASKED SEVERAL DIFFERENT WAYS, CENTERED AROUND WHETHER AND HOW MUCH USG WILL COMPENSATE ICELAND FOR BASE RETENTION. UPON CONCLUSION OF CALL HE REMARKED THERE APPEARS TO BE NO PARALLEL HERE WITH AZORES SITUATION. I OFFERED NO COMMENT ON THIS.

3. FOR ADDRESSEES: FINAL ACTION ON USG-GOI DEFENSE
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NEGOTIATIONS HAVE NOT YET BEEN CONCLUDED, THEREFORE DISCRETION IS IN ORDER ON DISCUSSING SUBJECT MATTER OUTSIDE USG CIRCLES.
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